

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

HEMATITE HOLDINGS INC., *et al.*,<sup>1</sup>

Debtors in a Foreign Proceeding.

Chapter 15

Case No. 20-12387 (MFW)

Jointly Administered

**Related Docket Nos: 49, 58**

**ORDER RECOGNIZING  
ORDER OF THE CANADIAN COURT  
SANCTIONING AND APPROVING CCAA PLAN**

Upon consideration of the motion (the “Motion”)<sup>2</sup> of the Foreign Representative for entry of an order, pursuant to sections 105, 1507, 1525, and 1527 of the Bankruptcy Code, (a) recognizing the Canadian Court’s Sanction Order sanctioning, approving and enforcing the CCAA Plan (the “Sanction Order”); and (b) granting related relief; and due and proper notice of the relief sought in the Motion and Sanction Order having been provided; and it appearing that no other or further notice need be provided; and all of the proceedings had before the Court; and no objections to the Motion having been filed or all such objection having been resolved or overruled; and the Court having found and determined that the relief sought in the Motion is consistent with the purposes of Chapter 15 of the Bankruptcy Code; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, creditors, and all parties in interest in the Chapter 15

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<sup>1</sup> The U.S. Debtors in these chapter 15 cases and the last four digits of their U.S. Federal Employer Identification Numbers are as follows: Pavaco Holdings U.S. Inc. (5569); Hematite, Inc. (3799); and Hematite Automotive Products Inc. (5382). The Canadian Debtors in these chapter 15 cases and the last four digits of their unique identifier are as follows: Hematite Holdings Inc. (8581); Hematite Manufacturing Inc. (4900); Hematite Industrial Products Inc. (7706); and Canadian Pavaco Inc. (5315). The U.S. Debtors and the Canadian Debtors are referred to herein, collectively, as the “Debtors.” The Debtors’ principal offices are located at 659 Speedvale Avenue West, Guelph, Ontario, N1K 1E6, Canada.

<sup>2</sup> Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Motion.

Cases, and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

**THE COURT FINDS AND CONCLUDES AS FOLLOWS:**

A. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, 11 U.S.C. §§ 109 and 1501, and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated as of February 29, 2012.

B. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P).

C. The Debtors have consented to the Court's authority to enter a final order consistent with Article III of the U.S. Constitution.

D. Venue is proper before this Court pursuant to 28 U.S.C. § 1410.

E. On December 18, 2020, the Canadian Court approved and entered the Sanction Order.

F. The relief granted herein is necessary and appropriate, in the interests of the public and international comity, consistent with public policy of the United States, warranted pursuant to section 1507 of the Bankruptcy Code, and will not cause hardship to any party in interest that is not outweighed by the benefits of the relief granted herein.

G. The relief granted herein will, in accordance with section 1507(b) of the Bankruptcy Code, reasonably assure: (i) the just treatment of all holders of claims against or interests in the Debtors' property; (ii) the protection of claim holders in the United States against prejudice and inconvenience in the processing of claims in the Canadian Proceeding; (iii) the prevention of preferential or fraudulent dispositions of property of the Debtors; and (iv) the distribution of proceeds of the Debtors' property substantially in accordance with the order prescribed in the Bankruptcy Code.

H. The public interest will be served by the relief granted herein.

**IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Motion is GRANTED.

2. The Sanction Order, a copy of which is annexed hereto as Exhibit 1, is fully recognized, given full force and effect in the United States, is warranted pursuant to section 1507 of the Bankruptcy Code, and will not cause hardship to any party in interest that is not outweighed by the benefits of the relief granted herein.

3. The Foreign Representative, the Monitor, and the Debtors, as the case may be, are authorized and directed to take all steps and actions necessary or appropriate to implement the CCAA Plan in accordance with and subject to its terms and conditions, and enter into, adopt, execute, deliver, complete, implement and consummate all of the steps, compromises, settlements, transactions, assignments, arrangements, reorganizations, distributions, payments, deliveries, allocations, instruments, agreements and releases contemplated by, and subject to the terms and conditions of, the CCAA Plan, and all such steps and actions are approved.

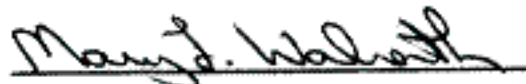
4. No action or other proceeding shall be commenced against the Foreign Representative or the Monitor in any way arising from or related to their respective capacities or conduct as the Foreign Representative or Monitor, except with prior leave pursuant to an Order of the Canadian Court made on prior written notice to the Foreign Representative and the Monitor and provided any such Order granting leave includes a term granting the Foreign Representative, or Monitor, as applicable, security for its costs and the costs of its counsel in connection with any proposed action or proceeding, such security to be on terms the Canadian Court deems just and appropriate; provided, that, the Canadian Court shall have exclusive jurisdiction over any such action or other proceeding against the Foreign Representative or Monitor.

5. The Foreign Representative, the Monitor and the Debtors are authorized and empowered to, and may in their discretion and without any delay, take any such steps or perform such actions as may be necessary to effectuate the terms of this Order and the CCAA Plan, including, but not limited to, seeking any relief from this Court that may be necessary or appropriate to ensure that all conditions to the Plan Implementation Date will be satisfied

6. Notwithstanding any provisions in the Federal Rules of Bankruptcy Procedure to the contrary: (a) this Order shall be effective immediately and enforceable upon its entry; and (b) neither the Foreign Representative, the Monitor nor the Debtors are subject to any stay in the implementation, enforcement, or realization of the relief granted in this Order.

7. Subject to paragraph 4 hereof, this Court shall retain jurisdiction with respect to all matters relating to the interpretation or implementation of this Order, and nothing contained herein shall be deemed to limit, modify, or impair this Court's jurisdiction over any motion of the Foreign Representative requesting relief in aid of the Canadian Proceeding pursuant to applicable provisions of the Bankruptcy Code and such jurisdiction is hereby retained.

**Dated: December 21st, 2020**  
**Wilmington, Delaware**



**MARY F. WALRATH**  
**UNITED STATES BANKRUPTCY JUDGE**